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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|----------------------|---------------------|------------------|
| 09/559,725 | 04/28/2000 | Michael A. Costonis | 07752.0023-00000 | 4297 |
| 28164 | 7590 | 07/13/2004 | EXAMINER | |
| ACCENTURE CHICAGO 28164 BRINKS HOFER GILSON & LIONE P O BOX 10395 CHICAGO, IL 60610 | | | FRENEL, VANEL | |
| | | ART UNIT | PAPER NUMBER | |
| | | 3626 | | |

DATE MAILED: 07/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

DETAILED ACTION

Notice to Applicant

1. This communication is a Supplemental Office Action to replace the prior Office Action as of 01/12/04. This Supplemental Office Action withdraws the grounds of rejection established in 1/12/04. Claims 1-108 are pending.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-108 are rejected under U.S.C. because the claimed invention is directed to non-statutory subject matter.

The basic of this rejection is set forth in a two-prong test of :

- (1) whether the invention is within the technology arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. More ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory

subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. In present case nothing in the body of claims 1-108 recite any structure or functionality to suggest that a computer performs the recited steps.

As such, the above deficiencies may be cured by simply explicitly reciting that the claimed method/process steps are embodied or implemented on a "computer system" or on a "computer readable-medium" within the body of the claims (as appropriate), provided Applicant show proper support for such recitations in the originally filed specification.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

5. Claims 1-3, 5-23, 27-30, 32-50, 54-57, 59-77, 81-84, 86-104, and 108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hammond et al. (5,712,984) in view of Moore et al. (5,930,759), Little et al. (5,359,509) and further in

view of SAP, Andersen offer P-C product; Tremblay, Ara C; National Underwriter (Property & Casualty /Risk & Benefits Management), v102n16, PP: 43 Apr.20, 1998.

(A) As per claim 1, Hammond teaches a method for claims data analysis (Hammond, Figure 4; Col. 7, lines 11-20), comprising the steps of a) receiving information

associated with a plurality of processed claims, (Hammond; Col. 3, lines 36-67 to Col.4, line 67);

b) However, Hammond does not expressly teach the step of providing responses into a data processing system in response to a set of queries associated with the information.

Moore teaches providing responses to a set of queries associated with claim information (Moore; Col. 9, lines 24-67); associating the at least one best practice with the responses (See Little, Col.1, lines 6-67; Col.17, lines 21-41).

The combination of Hammond, Moore and Little do not explicitly disclose selecting at least one best practice from a predetermined set of best practices associated with a claims handling process; where the loss economic opportunity includes a cost associated with processing the plurality of claims and is determined based on the responses; and determining a best practice associated with processing the plurality of claims based on the loss economic opportunity.

However, these features are known in the art, as evidenced by Andersen. In particular, Andersen suggests selecting at least one best practice from a predetermined set of best practices associated with a claims handling process (See Page 1, Paragraphs 3-13); where the loss economic opportunity includes a cost associated with processing the plurality of claims and is determined based on the responses (See Page

1, Paragraphs 3-13); and determining a best practice associated with processing the plurality of claims based on the loss economic opportunity (See Page 1, Paragraphs 3-13).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have incorporated the features of Andersen within the collective teachings of Hammond, Moore and Little with the motivation of enabling insurers and banking institutions to measurably improving business performance (See Andersen, Page 1, Paragraph 3).

(B) As per claim 2, Hammond teaches the step of determining the economic impact of claim characteristics (Hammond, col. 8, lines 60-65). However, Hammond does not expressly disclose the characteristic further includes quantifying the economic effect of the characteristic in terms of a reduction of a cost associated with processing the plurality of claims. Little teaches the step of using a plurality of reviews methods (i.e., best practices) to analyze claims to determine how to minimize claim cost based on the characteristics of a claim and thus which review or best practice works best for a particular claim type (Little; col. 17, lines 21-33). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods of Little to the method of determining effect on claim cost of Hammond with the motivation of lowering administrative costs, and minimizing fraud and unintentional errors (Little; col. I, lines 36 and lines 39-41).

(C) As per claim 3, Hammond teaches receiving information associated with a plurality of claims (Hammond, col. 4, lines 13-14). However, Hammond does not expressly disclose the step of providing as least one query to be completed in response to the information associated with each of the plurality of claims. Moore teaches the step of providing as least one query to be completed in response to the information associated with each of the plurality of claims (Moore; Col. 9, lines 42-61). It would have been obvious to one of ordinary skill in the art at the time of the invention to add Moore's step of providing a query to the claims analysis system of Hammond with the motivation suggested by Moore of reducing delays in claims processing by obtaining information to correct information or fill-in missing information of a claim (Moore; Col. 1, lines 52-57).

(D) As per claim 5, Hammond teaches providing for a query further includes:
a) the designation of at least one characteristic of each claim in processing the plurality of claims based on listed claim details (Hammond; Col. 10, lines 50-55). However, Hammond does not expressly disclose the characteristic being a best practice used in the processing of each of the claims. Little teaches the use of a review method (i.e., best practice) used in the processing of each of the claims. It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods of Little to the method of determining effect on claim cost of Hammond with the same motivation as applied to claim 1 and incorporated herein.
Further, Hammond and Little do not expressly disclose the use of a designation in the query. However, Moore teaches the use of queries that contain specific claim details

(Moore, Col. 9, lines 42-61 and Col. 10, line 49 to Col. 11, line 7). It would have been obvious to add the designation of the best practice in the queries of Moore to the claims analysis system of Hammond and Little with the motivation suggested by Moore of reducing delays in claims processing (Moore; Col. 2, lines 52-57).

b) Hammond teaches the weighting of various characteristics applied to each claim (Hammond; Col. 9, line 25 to Col. 10, line 3). However, Hammond does not expressly disclose the characteristic being a best practice used in the processing of each of the claims. Little teaches the use of a review method (i.e., best practice) used in the processing of each of the claims.

Further, Little teaches assigning priorities to the review methods (Little; Col. 7, lines 31-37). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the best practice review methods with assigned priorities of Little to the method of determining effect on claim cost of Hammond with the same motivation as applied to claim 1 and incorporated herein.

(E) As per claim 6, Hammond teaches the step of determining a loss economic opportunity further includes: a) determining an actual cost for processing each of the plurality of the claims (Hammond, Col. 6, lines 17-25), b) evaluating the loss economic opportunity as a percentage of an absolute loss economic opportunity divided by the total claims cost (Hammond; Col. 15, line 63-65 and Col. 6, line 39-43).

(F) As per claim 7, Hammond teaches the claims analysis method wherein determining an actual cost further includes: a) calculating the total claims cost as the sum of the indemnity and allocated loss adjustment expense (Hammond; Col. 15, lines 63-65 and Col. 6, lines 39-43).

(G) As per claim 8, Hammond teaches evaluating the loss economic value further includes: a) calculating the loss economic opportunity for the plurality of claims by averaging the loss economic opportunity for each of the plurality of claims (Hammond; col. 20, lines 2-67).

(H) As per claim 9, Hammond teaches the generation of a report indicating the efficiency of the process (Hammond, Col. 19, lines 49-64 and Col. 10, lines 6-23).

(I) As per claim 10, Hammond teaches providing responses to a set of queries further includes: a) calculating a number of claims to be reviewed based on applying standard statistical sampling formulae to the plurality of claims (Hammond; Col. 8, lines 12-25).

(J) As per claim 11, Hammond teaches the performance and capabilities of the reviewer having impact on loss calculation and the calculation of loss (Hammond; Col. 4, lines 18-22).

However, Hammond does not expressly disclose a productivity calculation. It is common to calculate productivity of workers. It would be obvious to one of ordinary skill

in the art at the time of the invention to determine the productivity based on number of claims reviewed (i.e., queries responded to) with the motivation of calculating the total internal costs of processing a claim and improving the overall solvency of the insurance carrier (Hammond; Col. 2, lines 9-11).

(K) As per claims 12-13, Hammond teaches the generation of a standard report (Hammond; Figure 11, Col. 19, line 50-63). Hammond does not disclose the generation of a custom report. It is common practice to create custom reports. It would be obvious to add the feature of custom reports to the standard report feature of Hammond with the motivation of helping to identify characteristics which are significant in affecting claim cost (Hammond; Col. 2, lines 25-26).

(L) As per claims 14-18, Hammond teaches a claim analysis method as rejected in claim 1. However, Hammond does not expressly disclose providing a standard set of queries in an automobile, liability, accident, property, or workers compensation line of insurance. Moore teaches the queries are made up of computer routines (Moore; Col. 9, lines 50-55) and the step of providing for a standard set of queries in an automobile (i.e., property), liability, accident, or workers compensation line of insurance (Moore, Col. 13, lines 59-61, Col. 14, lines 25-26, Col. 14, lines 62-64, and Col. 10, lines 10-15). It would be obvious to one of ordinary skill in the art at the time of the invention to add the plurality of insurance line sets of queries of Moore to the claims analysis method of Hammond with the motivation of suggested by Moore of providing prompts for additional

information that may be needed depending on the response to a question (Moore, Col.13, 38-39, Col. 14, lines 54-56).

(M) As per claims 19-23, the combined teachings of Hammond, Moore, and Little as applied to claim 5 disclose a set of best practices that have statistically shown to have an effect on economic loss for workers compensation insurance (Hammond; Col. 8, lines 40-43, Col. 9, line 57 to Col. 10, line 3) and medical health insurance (Little; Col. 1, line 7-8). As workers compensation and health insurance involves personal injury, accident, business property, and business liability insurance, the combined teachings of Hammond, Moore, and Little meet the limitations of these claims.

(N) As per claim 27, Hammond teaches the claims are insurance claims (Hammond; Col. 7, lines 11-14).

(O) Claims 28, 55 and 82 recite the same newly added limitations as claim 1 above. Therefore, these claims have been rejected on the same rationale and incorporated herein.

(P) Claims 29-30, 32-50, and 54 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

(Q) Claims 56-57, 59-77, and 81 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

(R) Claims 83-84, 86-104, and 108 recite the same limitations as claims 2-3, 5-23, and 27, respectively, and are therefore rejected for the same reasons provided for those claims and incorporated herein.

6. Claims 4, 24-26, 31, 51-53, 58, 78-80, 85, 105-107 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hammond, Moore, Little and Andersen as applied to claims 1, 28, 55, and 83 above, and further in view of Fatseas et al. (5,671,409).

(A) As per claim 4, the combined teachings of Hammond and Moore teach the claims analysis method of claim 1. However, the combined teachings of Hammond and Moore do not expressly disclose wherein providing responses further includes:

- a) the step of providing the queries in more than one language. Fatseas teaches the providing of queries in more than one language (Fatseas; Col. 5, lines 13-42); and
- b) the step of allowing the user to toggle between the queries in different languages (Fatseas; Col. 5, lines 13-42).

It would have been obvious to one of ordinary skill in the art at the time of the invention to add the queries in multiple languages and the toggling between the languages of Fatseas to the combined claims analysis method of Hammond and Moore with the motivation of permitting the same system to be used by persons who are functional in English and/or other languages (Fatseas; Col. 3, lines 22-23).

(B) As per claim 24-26, the combined teachings of Hammond and Moore teach the claims analysis method of claim 1 and the queries are provided in English (Moore, Figure 12B).

However, the combined teachings of Hammond and Moore do not expressly disclose the queries are provided in German or Dutch. Fatseas teaches the provision for queries in other languages, namely, German, Spanish, Vietnamese, Chinese, Polish or Italian (Fatseas; col. 5, lines 13-42).

However, Fatseas does not expressly disclose the Dutch language. It would have been obvious to one of ordinary skill in the art at the time of the invention to add the other languages of Fatseas and to add the language of Dutch to the claim systems analysis method of Hammond and Moore with the same motivation as provided for claim 4 and incorporated herein.

(C) Claims 31, 58, and 85 recite the same limitations as claim 4, and are therefore, rejected for the same reasons provided for that claim and incorporated herein.

(D) Claims 51-53, 78-80, and 105-107, recite the same limitations as claims 24-26, respectively, and are therefore, rejected for the same reasons provided for those claims and incorporated herein.

Response to Arguments

7. Applicant's arguments filed on 10/17/03 regarding claims 1-108 have been fully considered but are moot in view of the new ground (s) of rejection. Applicant's arguments will be addressed hereinbelow in the order in which they appear in the response filed 10/17/03.

(A) At page 18-21 of the 10/17/03 response Applicant's argues that the features in the 10/17/03 amendment are not taught by or suggested by the applied references.

With respect to the 35 U.S.C 101 rejection, Examiner notes that the basis of the 101 rejection was not made with respect to whether the claimed invention is useful, concrete and tangible. The basis of the 101 rejection was made with respect to whether the claimed invention falls within the technological arts. Therefore, Applicant's argument is not persuasive.

At pages 6-7, Applicant's argues the cited references either, singly or in combination, do not relate to reviewing the claims handling process more completely in order to given an insurance company an idea of what company practices are beneficial, or whether the amount claims paid out on the claims were appropriate and Hammond does not disclose or suggest "determining loss economic opportunity". Indeed, Hammond, Moore and Little do not disclose "associating at least one practice from determining set of best practices with the responses" to queries relate to claim information.

In response to Applicant's arguments, Examiner respectfully suggests that Moore discloses "Upon receipt of this electronic claim form, clearinghouse patient's insurance

company or other healthcare payor to determine various items of information such as eligibility, policy benefits, claim dates, a payment amount and the names of the payor and payee" which is equivalent to Applicant's claimed feature (See Moore, Col.5, lines 14-51; Col.12, lines 60-67 to Col.13, line 5). Therefore, Applicant's argument is not persuasive.

In response, all of the limitations which Applicant disputes as missing in the applied references, including the features newly added in the 10/17/03 amendment, have been fully addressed by the Examiner as either being fully disclosed or obvious in view of the collective teachings of Hammond, Moore, Little, Andersen and Fatseas based on the logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the present Office Action and in the prior Office Action (paper number 13), and incorporated herein. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In addition, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not relied upon art teaches a medical reimbursement system with emphasis on cost effective use of resources (4,667,292), patient-data quality review method that quantifies the extent that a claim correction altered the payment (5,307,262), an article on risk managers that discusses important figures such as average claim cost and allocated loss adjustment expense (LePere "An actuarial viewpoint (loss comparisons)", a health plan that analyzed its claims to create a profile of practice patterns, then ranked providers on how closely they followed the best-practices (Haugh, "Extractions: Chop, chop"), the use of data mining to perform claims analysis to encourage providers to achieve best practices (Greene, "Medicine starting to see value in data. (Statistical Data Included)", and an article about a coalition representatives from HCFA, provider groups and major health plans that developed a list of best practices (Anonymous, "Complying with Medicare's Claims-Processing Requirements").

9. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

Or faxed to:

(703) 305-7687 [Official communications]

(703) 746-7238 [After Final communications, labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is (703) 305-4952. The examiner can normally be reached on M-F 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 746-7687 for regular communications and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

V.F
V.F

July 8, 2004



ALEXANDER KALINOWSKI
PRIMARY EXAMINER